

HUMAN RESOURCES BULLETIN 98-10

FERS Open Season

For employees eligible to participate in the FERS Open Season: The FERS Open Season which began on 1 July 1998 will continue through 31 December 1998. Since many employees use annual leave during the holiday season and at the end of the leave year, it is important that you plan ahead for the close of the Open Season. If you have any thoughts at all about switching to FERS, please get an election form from your servicing Civilian Personnel Advisory Center (CPAC) now. Do not wait until the last minute. You may hold the form until you have made a final decision; however, you must return your completed form to the CPAC NLT 31 December 1998. The form is SF 3109, Election of Coverage.

Thrift Savings Plan Open Season

A Thrift Savings Plan (TSP) open season began 15 November and will continue through 31 January 1999. Open season is your chance to start or change your contributions to your TSP account. You can also change the way your future payroll contributions are invested in the three TSP funds. These funds are described later in this bulletin.

Federal Employees Retirement System (FERS) and Civil Service Retirement System (CSRS) employees hired before January 1, 1998, are already eligible for the TSP. New FERS employees are eligible as follows:

If You Were Hired:	You Can Join the TSP in	Your Agency Automatic (1%) Contributions Will Begin:
January 1, 1998 - June 30, 1998	November 15, 1998 - January 31, 1999	First full pay period in January 1999
July 1, 1998 - December 31, 1998	May 15, 1999 - July 31, 1999	First full pay period in July 1999
January 1, 1999 - June 30, 1999	November 15, 1999 - January 31, 2000	First full pay period in January 2000

If you are a rehired employee, or if you have questions about your eligibility, contact your Civilian Personnel Advisory Center (CPAC).

What is the Thrift Savings Plan? The Thrift Savings Plan is a retirement savings plan for FERS and CSRS employees. Because your TSP account is for your retirement, there are restrictions on

withdrawing your money while you are employed. A major advantage of the TSP is that you pay no taxes on contributions or earnings until you withdraw your account.

If you are covered by FERS you can contribute up to 10% of your basis pay each pay period, up to the annual Internal Revenue Service limit (\$10,000 for 1998). Your employer matches your contributions:

- Dollar for dollar on the first 3% you contribute each pay period, and
- 50 cents on the dollar for the next 2% you contribute.

Also, your employer automatically contributes an amount equal to 1% of your basic pay each pay period, whether you contribute or not.

If you are covered by CSRS you can contribute up to 5% of your basic pay each pay period, up to the annual IRS limit (\$10,000 for 1998). You do not receive any agency contributions.

You can choose among three investment funds:

Government Securities Investment (G) Fund - invested in short-term, risk free U.S. Treasury securities that are specially issued to the TSP.

Common Stock Index Investment (C) Fund - invested in a stock index fund that tracks the Standard & Poor's (S&P) 500 stock index.

Fixed Income Index Investment (F) Fund - invested in a bond index fund that tracks the Lehman Brothers Aggregate (LBA) bond index.

TSP returns are calculated monthly. You can get the most recent returns by calling the TSP ThriftLine at (504) 255-8777 or visiting the TSP Web site at www.tsp.gov.

To sign up for the TSP or make changes, ask your CPAC for TSP election Form (TSP-1). Submit your completed form to your CPAC before the end of the open season.

For more information on the TSP, visit the web site at <http://www.tsp.gov/forms/other.html>.

(Source: Office of Personnel Management)

Federal Employees Health Benefits (FEHB) Program: Expanded Coverage of Contraceptives for 1999

A new law requires FEHB plans to provide contraceptive coverage. Five FEHB plans are exempt from this requirement as explained below. Because the law was signed on 21 October 1998, after the FEHB brochures for printed, the brochures available for open season do not reflect these additional benefits. This information is intended to give you an accurate understanding of the benefits offered by plans that you are considering.

The law specifically exempts five plans on the basis that they have expressed religious beliefs against providing such coverage, and the law recognizes that additional plans may adopt similar positions. The five plans specifically exempted by the law are:

- Providence Health Plan (previously called SelectCare); code SD, serving Oregon and Washington;
- Personal Cares HMO; code GE, serving Illinois;
- Care Choices; code FA, serving Iowa, Nebraska, and South Dakota; and codes BA and KZ, serving Michigan;
- OSF Health Plans; code 9F, serving Illinois; and
- Yellowstone Community Health Plan; code 2Y, serving Montana

In addition, the law provides that plans may not discriminate against plan doctors or other providers whose individual religious beliefs or moral convictions prevent them from prescribing contraceptives. If you are enrolled in an HMO that covers contraceptive service, but your plan physician refuses to prescribe them based on religious beliefs or moral convictions, contact the plan for assistance. The plan will arrange for you to have access to a provider who will prescribe contraceptives. If you are enrolled in a fee-for-service plan, you are free to select your own physician, but you may wish to consult your plan's provider directory for a preferred provider. In addition, you may contact the plan itself for assistance.

(Source: OPM's Benefits Administration Letter, 98-418)

OPM Outlines New Veteran's Law

The Office of Personnel Management has just published a concise description of a new law that beefs up the veterans preference program for the federal service. President Clinton signed the Veterans Employment Opportunities Act of 1998 on October 31, 1998 (P.L. 105-339). The staffing provisions of the new law will be codified in section 3304 of title 5, United States Code. Here's what the new law does for vets: (1) Allows preference eligibles or veterans who are honorably discharged from the armed forces after three or more years of active service to compete for vacant positions, if the hiring agency is accepting applications from individuals outside its own work force under merit promotion procedures. All merit promotion announcements open to applicants outside the hiring agency's work force are required to indicate that these veterans and preference eligibles may apply;

(2) requires OPM to create a special appointing authority to permit the appointment of these individuals if they are selected;

(3) establishes a new redress system for veterans, modeled after the one in the Uniformed Services Employment and Reemployment Rights Act of 1994 (see Part 353 of OPM's regulations);

(4) makes it a prohibited personnel practice to knowingly take or fail to take a personnel action if that action or failure to act would violate a statutory or regulatory veterans' preference requirement;

(5) expands certain provisions of titles 31 and 38 relating to employment of veterans by federal contractors;

(6) requires FAA to apply veterans' preference in reductions in force, as it is already required to do in hiring;

(7) extends veterans' preference to certain White House and legislative and judicial branch positions.

New Veterans Preference Appeals System

The recently-approved Veterans Employment Opportunity Act (see related item above) creates a new appeals system for vets who believe they've received a raw deal under the federal personnel system. They can complain to the Merit Systems Protection Board and if not satisfied by its action, take their hiring or firing case to federal district court. Those who win their cases could be reimbursed for reasonable legal costs and would be eligible for back pay and benefits. They also could get damages if the court ruled the violations of veterans preference were willful.

(Source: FEDweek, 11 Nov 1998 Issue)